

## **AmeriCorps Rulemaking - Summary of Proposed AmeriCorps Rule**

The Corporation's Notice of Proposed Rulemaking ("proposed rule") attempts to do three things:

- Make the AmeriCorps program stronger,
- Increase its stability and predictability, and
- Position it for continued growth.

The following summarizes the most significant issues in the proposed rule:

### **Sustainability and Federal Share**

While the Corporation agrees that there are many measures and elements of sustainability, the most recent discussion has focused on the monetary aspects of sustainability – Federal share and cost per full-time equivalent. However, the Corporation understands that other measures of sustainability are also important, and has added them to the competitive framework.

The Corporation's sustainability strategy has the following six main elements:

1. Incorporates the broad spectrum of sustainability criteria throughout the Corporation's grant selection criteria.
2. Makes an applicant's budgeted Corporation cost per full-time-equivalent (FTE) a more meaningful factor in the selection process. All else being equal, the lower a program's cost per FTE, the better chance it will have to receive Corporation funding. At the same time, the Corporation will explicitly take into account the goals, performance outcomes, and the individual circumstances of programs and the communities in which they operate, thereby considering both costs and benefits.
3. Increases the grantee share of program costs based on a predictable and incremental schedule to a 50 percent aggregate level by the 10th year in which an organization receives an AmeriCorps grant for the same program.
4. Expects state commissions to develop and implement a sustainability approach as part of their oversight function.
5. Reserves a percentage of non-continuation AmeriCorps state and national grant funds each year for applicants that have not received AmeriCorps competitive funding from the Corporation for at least five years.
6. Builds meaningful tools, including limited exceptions, for accommodating organizations that have demonstrated hardship in meeting the increasing match requirements.

The Corporation believes, based on our research into current grantee match levels, that it is reasonable to expect all grantees, even those operating in remote or impoverished communities, to achieve this level of matching, and we expect state commissions to continue managing their portfolios to achieve even higher match levels. However, to the extent that an organization is unable to achieve or increase its share of costs, we intend to consider targeting the following assistance to organizations that are demonstrably at risk of not meeting the matching requirements:

1. Providing additional training and technical assistance: The Corporation plans to provide training and technical assistance to help at risk grantees identify new strategies to raise matching funds and community support.
2. Redirecting Corporation assets: The Corporation will consider using, on a short-term basis, other program assets to help an organization struggling to meet its match requirements. For example, we might temporarily allocate a VISTA member to help build the capacity and broaden the community support of a VISTA-eligible organization.
3. Conducting Corporation outreach to the regional and national philanthropic community: The Corporation will seek to broaden its outreach to the philanthropic community to promote those national and community service programs that are potentially at risk and explain the impact of the changes we are implementing.
4. Allowing state commission portfolio flexibility: If a subgrantee of a state commission is not meeting its minimum matching requirements, we are providing the state commissions the ability to make up for the short-fall in a low-matching grantee's matching funds by pairing that grantee up with one or more grantees that are meeting more than the required level of matching funds. This will provide some flexibility to state commissions to manage their formula and, to some extent, competitive portfolios, while effectively reducing federal share.
5. Allowing a waiver: The Corporation is prepared to use its current statutory waiver authority for those satisfactorily performing and otherwise compliant programs that demonstrate an inability, in spite of reasonable efforts, to achieve sufficient financial support to meet the increased matching requirements. This waiver would be granted on an annual basis and subject to revision or revocation based on grantee performance and resources.

## **Grant Selection Criteria**

The proposed rule adjusts the Corporation's grant selection criteria to meet three objectives:

1. To better align the selection criteria with elements that predict program success;
2. To incorporate into the selection criteria greater emphasis on sustainability; and
3. To provide transparency, predictability, and consistency for organizations applying for AmeriCorps funds.

The proposed rule clearly describes the Corporation's grant review process, and sets out the following basic criteria that the Corporation would apply in reviewing an application for AmeriCorps funding:

- Program Design, which would count for 50 percent of the score (as opposed to 60 percent currently), including
  - o The rationale for and approach of the proposed program;
  - o The member-related outputs and outcomes; and
  - o The community-related outputs and outcomes.
- Organizational Capability, which would remain at its current 25 percent weight, and
- Cost-Effectiveness, which would count for 25 percent (as opposed to 15 percent currently).

The proposed rule would require state commissions to rank the state competitive proposals they submit to the Corporation.

### **Cost per Full-Time Equivalent**

- Corporation cost per full-time equivalent (FTE) is included as an indicator of cost-effectiveness in the selection criteria.

#### *Cost per FTE for Individual Programs*

- The proposed rule quantifies an individual program's Corporation cost per FTE as the budgeted grant costs divided by the number of member FTEs awarded in the grant (excluding child care and the education award)
- Corporation will consider granting program requests to increase their Corporation cost per FTE up to the (statutorily-required) percentage increase in their previous year's AmeriCorps member living allowance.

#### *Average Cost per FTE for state commissions and national directs*

- Average cost per FTE for state commissions and national directs will be the budgeted grant costs for all the AmeriCorps programs in the grantee's portfolio divided by the total number of FTEs in the grantee's portfolio of AmeriCorps programs, including Education Award programs (excluding child care, the education award, and the commission administrative grants).
- Corporation is considering allowing state commissions and national directs to exclude from their budgeted grant costs some amount of planning grants, in an amount to be determined by the Corporation each year.
- Corporation will review the maximum average cost per FTE annually with the increase in the member living allowance and other changes to program costs in mind.

### **Member Service Activities**

The proposed rule largely codifies and clarifies the Corporation's current guidelines and grant provisions on member service activities and capacity-building. Specifically, the proposed rule clarifies that AmeriCorps members may:

- Perform direct service activities, and
- Engage in other activities that build the organizational and financial capacity of nonprofit organizations and communities, including volunteer recruitment and certain fundraising activities.
- Generally, grantees will have to include volunteer recruitment in their program design unless unfeasible
- AmeriCorps members will be able to do fundraising directly in support of service activities if minimal in time
- Fundraising may include grant writing, except for grants from federal agencies

### **Tutoring Requirements**

The proposed rule:

- Confirms that the qualification requirements for tutors and other paraprofessionals under the No Child Left Behind Act apply only to tutors who are employees of the Local Education Agency or school, but do not apply to AmeriCorps members serving as tutors under the sponsorship of an organization other than the school district.
- Narrowly defines “tutor” for purposes of the regulations to include only individuals whose primary goal is to increase academic achievement in reading or other core subjects through planned, consistent, one-to-one or small-group reading, or other small-group sessions, that build on students’ academic strengths and target students’ academic needs.
- Requires a member serving as a tutor (other than one employed by the LEA or school) either:
  - o To have a high-school diploma (or its equivalent), or
  - o To pass a proficiency test that the grantee has determined effective in ensuring that the member has the necessary skills to serve as a tutor.
- Requires a member serving as a tutor (other than one employed by the LEA or school) to successfully complete any pre- and in-service specialized training required by the program.
- Requires tutoring programs to show competency to provide tutoring service through their recruitment, specialized training, performance measures, and supervision.
- Does not impose new requirements on members engaged in supplemental academic support activities whose primary goal is something other than increasing academic achievement. For example, providing a safe place for children after school is not tutoring, even if some of the program activities focus on homework help.

### **State Commission Flexibility to Operate National Service Programs**

The Corporation’s current regulations prohibit state commissions from directly operating any national service program receiving Corporation assistance. The proposed rule relaxes this current restriction by prohibiting state commissions from directly operating only national service program that receive assistance under subtitle C of the National and Community Service Act of 1990, as amended.

### **Performance Measures and Evaluation**

The proposed rule:

- Codifies current Corporation requirements for performance measures;
- Requires that each set of output, intermediate outcome, and end outcome performance measures be aligned with each other; and
- Limits mandatory independent evaluations to large state competitive and direct grantees

### **Statements of Policy**

In the preamble of the proposed rule, the Corporation signals its intent to:

- Revise the timing of the grant cycle to more closely tailor application and grant award dates to the needs of AmeriCorps grantees;

- Streamline continuation grant application requirements and grantee reporting requirements to minimize the burden on grantees;
- Address the refill policy in the near future;
- Address the exemption of some planning grant dollars from the State Average Cost per FTE.